sulted on the need for amendment of the S.D.F.C. Abolition Act of 1986?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED): (a) Yes Sir.

(b) and (c) The proposed amendments are yet to be finalised. The Ministry of Food Processing Industries (MFPI) would be consulted before finalising the proposed amendments.

Payment of claims by subsidiaries of GIC

924. SHRI H. HANUMANTHAPPA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the subsidiaries of General Insurance Corporation have violated the Insurance Act by paying the claims to certain policy holders without collecting the premia from them before the occurrence of the accident;

(b) if so, what are the names of the subsidiaries who have violated the Insurance Act and action proposal to be taken against them and to recover payments made to the policy-holders before the occurrence of the accident; and

(c) what steps are proposed to be taken by Government to avert this?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED): (a) to (c) The information is being collected and will be laid on the Table of the House.

Hindrances for Foreign investment

925. SHRI SANGH PRIYA GAUTAM:
DR. NAUNIHAL SINGH:
SHRI O. RAJGOPAL:

Will the Minister of FINANCE be pleased to state:

(a) in what manner Japanese Industry has taken the economic reforms being carried out by the Indian Government;

(b) what are the reasons that India has been accorded such a low priority by Japanese industry; and

(c) what are the major problems which are still preventing greater foreign investment in India?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED): (a) There are several indications that Japanese industry has welcomed the economic reforms being carried out by the Indian Government.

(b) There are several factors contributing to low investments by Japanese companies in India. Currently, recessionary, conditions in the Japanese economy have not been conducive to a step up in Japanese investment in India.

(c) The foreign investment climate is determined by a large number of factors relating to the state of the domestic economy, perceptions of the policy framework and direction of policy, the state of the World economy and the political atmosphere in the country. Government's determined efforts at reform of the stock markets have instilled confidence in the minds of foreign investors.

Steps to Boost up Capital Formation

926. SHRI BISHAMBHAR NATH PANDE: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that an inflation rate of averaging 10 per cent a year has created a situation where the gross capital formation in rural sector has turned negative for the last many years;

(b) if so, what are the details thereof; and

(c) what measures Government have adopted to boost up the capital formation in rural sector?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED): (a) and (b) The official estimates of capital formation are not prepared for rural sector separately. However, such estimates are available for agriultural sector which would represent, to a certain extent, capital formation in rural secor. The estimates of gross capital formation in agriculture at 1980-81 prices increased from Rs. 4499 crore in 1981-82 to Rs. 4580 crore in 1991-92.

(c) The economic reform measures initiated by Government particularly more relating to the fiscal and trade reforms and the increased budgetary allocation of funds for investments in rural sector are aimed at, inter-alia, enhancing capital formation in rural sector.

Amount sanctioned to Gujarat under debt Relief scheme

927. SHRI VITHALBHAI M. PATEL: Will the Minister of FINANCE be pleased to state:

(a) what is the number of farmers and rural artisans in different parts of the country who have been benefited to far by the Debt Relief Scheme;

(b) what amount has been sanctioned under this scheme for the State of Gujarat;

(c) what amount has been released for Gujarat after December 1991; and

(d) what are the reasons for delay in releasing the remaining amount and by when it will be released?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED): (a) Under the Agricultural and Rural Debt Relief (ARDR) Scheme, 1990 a total number of 316.32 lakh beneficiaries have been provided relief throughout the country involving an amount of Rs. 7760.81 crores.

(b) and (c) Position of debt relief provided in the State of Gujarat and the amount released to the Cooperative Banks and Regional Rural Banks in the State under the ARDR Scheme is as under:

(Rs. in crores)

	Cooperative Banks	Regional Rural Banks
(i) Relief provided	351.53	8.60
(ii) Amount so far sanctioned	297.12	6.68
(iii) Of (ii) above amount sanctioned after 31-12-1991	77.94	2.57

(d) The National Bank for Agriculture and Rural Development (NABARD) has advised the Cooperative Banks and the RRBs to submit revised claim statements after excluding the claims in respect of ineligible borrowers, and the amount pertaining to the penal and compound interest. Further amount, if any, would be considered for release by NABARD after receipt of the revised and final claim statements from the banks.

Shemes to attract small savings

928. SHRI VITHALBHAI M. PATEL: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the small savings collections has been declined sharply as a result of withdrawal of certain incentives under the Income-Tax Act;

(b) whether Govetnment would consider a proposal to sanction benefits under section 81 and 88-A of the Income Tax Act in the scripts like Indira Vikas Patras and Kisan Vikas Patras; and